



NEWS

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This is an unofficial announcement of Commission action. Release of the full text of a Commission order constitutes official action.
See MCI v. FCC, 515 F.2d 385 (D.C. Cir. 1974).

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COMMISSIONER ADELSTEIN CALLS FOR FCC INVESTIGATION BASED ON SPITZER PAYOLA SETTLEMENT

Commissioner Adelstein is calling for an investigation of payola practices uncovered by New York Attorney General Eliot Spitzer, based on the announcement of a settlement with Sony BMG Music Entertainment today.

Commissioner Adelstein said, "It's a real tribute to Attorney General Eliot Spitzer that he has blown the lid off a potentially far-reaching payola scandal. I've been expressing concern about this for some time in terms of enforcing our federal rules, but it took someone with Spitzer's tenacity and subpoena power to bring forward solid evidence."

"We've seen a lot of smoke around payola for a while, but now we know it's coming from a real fire. It's time to dump a bucket of cold water on it.

It's unfair to listeners if they hear songs on the radio because someone was paid off, not because it's good music.

We need an immediate investigation to determine whether these practices violate federal payola laws. I've asked Mr. Spitzer to share all of the evidence that he has uncovered with the FCC."

Commissioner Adelstein has challenged the entertainment industry to reform its practices, and he openly called for the American public to help the FCC in monitoring and enforcing the rules against airing undisclosed promotions, including VNRs and product placements (http://hraunfoss.fcc.gov/edocs_public/attachmatch/DOC-258962A1.pdf).

At the urging of Commissioner Adelstein, the Commission issued a unanimous Public Notice on Video News Releases and a fact sheet on payola. In the Notice, the FCC said the payola rules "are grounded in the principle that listeners and viewers are entitled to know who seeks to persuade them with the programming."

(http://hraunfoss.fcc.gov/edocs_public/attachmatch/FCC-05-84A1.doc)

(<http://www.fcc.gov/cgb/consumerfacts/PayolaRules.html>).